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Released: May 19, 1997

**THE NORTH AMERICAN NUMBERING COUNCIL (NANC) ISSUES
RECOMMENDATIONS ON THE NORTH AMERICAN NUMBERING PLAN
ADMINISTRATOR, BILLING AND COLLECTION AGENT, AND RELATED RULES;
PLEADING CYCLE ESTABLISHED**

(CC DOCKET NO. 92-237)**Comment Date: June 20, 1997****Reply Date: July 3, 1997**

In a *Report and Order* released on July 13, 1995 in the above-referenced docket (*Number Administration Order*), the Federal Communications Commission (Commission) established the North American Numbering Council (NANC) pursuant to the Federal Advisory Committee Act, 5 U.S.C., App. 2 (FACA). The *Number Administration Order* directed the NANC, among other things, to recommend to the Commission and to other member countries of the North American Numbering Plan (NANP) a neutral entity to serve as NANP Administrator and an appropriate mechanism for recovering the costs of NANP administration in the United States. The membership of NANC, which includes thirty-two voting members and four special non-voting members, was selected to represent all viewpoints regarding numbering administration. The Commission's charge that the NANC recommend an impartial NANP Administrator is consistent with Congress's directive in Section 251(e)(1) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996, that an impartial numbering administrator be named to make telecommunications numbering available on an equitable basis.

On May 15, 1997, the Commission received the NANC's Recommendation on the NANP Administrator and Billing and Collection Agent (Recommendation). Earlier, the NANC had received proposals in response to its Requirements Document that set forth the qualities and attributes of the NANPA and Billing and Collection Agent and the functions that

each would be expected to perform.¹ Bell Communications Research (Bellcore), the Center for Communications Management Information (CCMI), Lockheed Martin Corporation (Lockheed), and Mitretek Systems (Mitretek) responded with proposals to serve as NANPA. Proposals to serve as Billing and Collection Agent were received from CCMI, Lockheed, and the National Exchange Carriers Association (NECA).

As indicated in the Recommendation, a majority of the NANC (13 members) voted to recommend Lockheed as the new NANPA for a period of five years and a minority (11 members) voted to recommend Mitretek. NANC further recommends that the entity designated to serve as the NANPA agree to two conditions. First, such entity must agree to make available any and all intellectual property and associated hardware including, but not limited to, systems, software, interface specifications and supporting documentation, generated by or resulting from its performance as NANPA, and to make such property available to whomever NANC directs, free of charge. Such entity must specify any property it proposes to exclude from the foregoing category of property based on the existence of such property prior to the entity's selection as NANPA. Second, the entity selected as the NANPA must perform the NANPA functions at the price the entity submitted in its proposal to the NANC that formed the basis for the entity's selection by the NANC. Such entity, however, may request from NANC and, with approval by the Commission, NANC may grant an adjustment in this price should the actual number of Central Office (CO) code assignments made per year, the number of numbering plan area codes (NPAs) requiring relief per year, or, the number of NPA relief meetings per NPA requiring relief exceed 120 percent of NANPA's assumptions for the above tasks made in the proposal to the NANC that formed the basis for the entity's selection by the NANC.

The NANC also recommends proposed rules, contained in attachments to the Recommendation, to govern the performance of the NANPA and Billing and Collection Agent and to address resolution of numbering disputes. Finally, the NANC unanimously recommends NECA as Billing and Collection Agent, subject to the Federal Communications Commission's ordering NECA to create an independent and neutral Board of Directors for NANPA Billing and Collection.

We seek comments on NANC's Recommendation. Interested parties should file an original and four copies of their comments on the NANC's North American Numbering Plan Administrator and Billing and Collection Agent Recommendation by **June 20, 1997** and reply comments by **July 3, 1997** with the Office of the Secretary, Federal Communications Commission, 1919 M Street, N.W., Washington, D.C. 20554. Comments and reply comments should reference CC Docket No. 92-237. In addition, parties should send two copies to Jeannie Grimes, Common Carrier Bureau, FCC, Suite 235, 2000 M Street, N.W., Washington, D.C. 20554, and one copy to ITS, at 1231 20th Street, N.W., Washington, D.C. 20036. Comments and reply comments will be available for public inspection and copying during

¹ The Requirements Document is filed in CC Docket No. 92-237 and is available for inspection and copying in the Commission's Public Reference Center.

regular business hours in the Commission's Public Reference Center, Room 239, 1919 M Street, N.W., Washington, D.C. 20554. Copies of comments and reply comments will also be available from ITS, at 1231 20th Street, N.W., Washington, D.C. 20036, or by calling (202) 857-3800.

Pursuant to the Federal Advisory Committee Act, 5 U.S.C., App. 2 § 9, and consistent with its charter, the NANC's authority is limited to providing advice and recommendations to the Commission. All procedural requirements of the Administrative Procedures Act, 5 U.S.C. § 551 *et. seq.*, and other applicable statutes will apply to this proceeding. We will treat this proceeding as a non-restricted rulemaking for purposes of the Commission's *ex parte* rules. *See generally* 47 C.F.R. §§ 1.1200(a), 1.1206. For further information contact Marian Gordon or Scott Shefferman, Network Services Division, Common Carrier Bureau, at (202) 418-2320.

- FCC -

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MAY 16 1997

Federal Communications Commission
Office of Secretary

May 16, 1997

CC Docket No. 92-237, In the Matter of Adminis-
tration of the North American Numbering Plan

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street N.W.
Washington, D.C. 20554

Dear Mr. Caton:

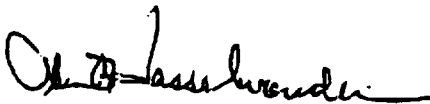
This is in reference to the Recommendation of the North American Numbering Council (NANC), entitled North American Numbering Plan (NANP) Administrator and Billing and Collection Agent which was submitted by me on behalf of NANC to the Federal Communications Commission yesterday.

There is an error that appears in Section 7, Paragraph 1. on page 17 of the Recommendation and again in Section 10 on page 6 of the Proposed Commission Rules. The words "exceed 20%" in the Recommendation should read "exceed 120%" and the words "exceed 20 per cent" in the Rules should read "exceed 120 per cent".

Additionally Attachment 1, NANPA Working Group Evaluation Team Report to the North American Numbering Council (NANC), contains a "Proprietary Warning" on the cover page which should be removed.

I apologize for these errors and request that they be corrected in any further publication of these documents.

Sincerely,



Alan C. Hasselwander
Chairman, North American Numbering Council

cc: Kathleen B. Levitz

Marian R. Gordon

May 15, 1997

CC Docket No. 92-237, In the Matter of Adminis-
tration of the North American Numbering Plan

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street N.W.
Washington, D.C. 20554

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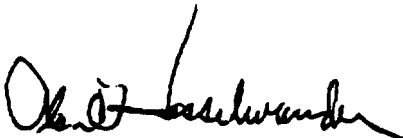
MAY 15 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Dear Chairman Hundt :

As Chairman of the North American Numbering Council I am hereby forwarding to you on behalf of the Council its recommendation with respect to the selection of the new North American Numbering Plan Administrator as required in the above cited Docket.

Sincerely,



Alan C. Hasselwander
Chairman, North American Numbering Council

Enclosure

CC: FCC Commissioners

Rachelle Chong

Susan Ness

James Quello

Acting Secretary

William S. Caton

**Recommendation of the
North American Numbering Council
(NANC)**

**North American Numbering Plan (NANP)
Administrator and Billing and Collection
Agent**

May 15, 1997

Recommendation of the North American Numbering Council (NANC)

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Attachments:

Attachment 1	NANPA Working Group Report to the NANC
Attachment 2	NANPA Rules
Attachment 3	NANC Dispute Resolution Process
Attachment 4	Responses to NANPA Working Group Questions Regarding Respondents' Assumptions for CO Code Assignments and NPA Relief

Recommendation of the North American Numbering Council (NANC)

1.0 Executive Summary

This report provides a recommendation and the associated rationale regarding the selection of a new administrator for the North American Numbering Plan (NANP) and U.S. Central Office (CO) codes, including a Billing and Collection Agent, in accordance with FCC CC Docket No. 92-237, Report and Order, FCC 95-283, CC Docket N.96-98, FCC 96-333.

The NANC received four proposals in response to the request for a new NANPA (Bell Communications Research - Bellcore, the Center for Communications Management Information - CCMI, Lockheed Martin - Lockheed and Mitretek) and three proposals for the Billing and Collection Agent (CCMI, Lockheed and National Exchange Carrier Association - NECA) based upon the Requirements Document developed by the NANC and issued by the FCC on February 20, 1997 in News Release 97-8.

The NANC recommends Lockheed as the preferred choice to serve as the new NANPA and Mitretek as the alternate. Although NANC did not reach consensus on a preferred respondent for the new NANPA, a majority (13 members) voted for Lockheed while 11 members voted for Mitretek. This recommendation also includes the provision that the new NANPA comply with specific requirements concerning pricing and intellectual property rights as set forth in the Conclusions section of this document (Section 7.0) and included in the attached recommended NANPA rules.

The selection process was based on the Requirements Document which identifies the NANP/Central Office Code Administration and Billing and Collection Agent responsibilities and functions, respondent information, NANPA qualities and attributes, dispute resolution, enterprise services and pricing.

The NANC concluded that the proposals made by Lockheed and Mitretek presented the best solutions for the new NANPA because they were fully compliant with the NANC Requirements Document. Both organizations demonstrated compliance with the Neutrality Criteria set forth in Section 1.2 of the Requirements Document. Each displayed a firm understanding and appreciation for the numerous complexities associated with administering the North American Numbering Plan. Finally, these two respondents differentiated themselves from the other respondents by providing innovative ideas and forward-looking state-of-the-art administration systems and tools that the NANC considered essential for effective administration in accordance with the Requirements Document.

Recommendation of the North American Numbering Council (NANC)

Subject to the implementation of the neutrality cure identified in this report, the NANC recommends that NECA be the Billing and Collection Agent. This recommendation is based upon NECA's significant experience in cost recovery mechanisms and billing for the telecommunications industry (e.g., Telecommunications Relay Service - TRS) and the fact that NECA's price is lower than the other qualified respondent's price. If for some reason NECA cannot serve as the Billing and Collection Agent, NANC recommends those functions be performed by Lockheed.

2.0 Introduction

The purpose of this report is to provide a recommendation including supporting rationale to the FCC from the NANC regarding the selection of a new administrator for the North American Numbering Plan and U.S. Central Office (CO) codes, and a Billing and Collection Agent.

Background

On July 13, 1995, a Federal Communications Commission (FCC) order established the North American Numbering Council to assist in adopting a new model for the administration of the North American Numbering Plan (NANP) (CC Docket No. 92-237, Report and Order, FCC 95-283, CC Docket N.96-98, FCC 96-333).

The NANC is chartered to assure that NANP administration supports the following policy objectives: (1) that the NANP facilitates entry into the communications marketplace by making numbering resources available on an efficient, timely basis to communications services providers; (2) that the NANP does not unduly favor or disfavor any particular industry segment or group of consumers; (3) that the NANP does not unduly favor one technology over another; (4) that the NANP gives consumers easy access to the public switched telephone network; and (5) that the NANP ensures that the interests of all NANP member countries are addressed fairly and efficiently, fostering continued integration of the NANP across NANP member countries. The NANC has oversight responsibility for the new NANPA and the Billing and Collection Agent.

The NANC will make a recommendation to the FCC on the selection of a new administrator of the NANP and Billing and Collection Agent. Under the auspices of the NANC, the NANP Working Group was formed to develop a Requirements Document and an evaluation process to assess candidates for the new Administrator and the Billing and Collection Agent. A primary requirement of the process is to select an Administrator who must be fair, impartial, not aligned with any particular telecommunications industry segment and meets all the requirements stated in the February 20, 1997 NANC Requirements Document.

The selection process is based on the Requirements Document which identifies the NANP/Central Office (CO) Code Administration and Billing and Collection Agent.

Recommendation of the North American Numbering Council (NANC)

responsibilities and functions, including respondent information, NANPA qualities and attributes, dispute resolution, enterprise services, and pricing.

On February 20, 1997, the FCC issued a public announcement to solicit responses to the Requirements Document by April 3, 1997. The NANC formed an Evaluation Team representative of the telecommunications industry to assess the merits of the responses and to make a recommendation to the NANC.

3.0 Analysis and Recommendations

The following is an overview of the NANC analysis of the respondent proposals, including pros and cons, and the conclusions reached.

3.1 Overview

After careful consideration of the four proposals to perform the functions associated with NANP/CO Code administration, the NANC concluded that the proposals made by Lockheed and Mitretek presented the best solutions for the new NANPA.

Each of these two respondents provided proposals that were fully compliant with the NANC Requirements Document. Both organizations demonstrated compliance with the Neutrality Criteria set forth in Section 1.2 of the Requirements Document. Each displayed a firm understanding and appreciation of the numerous complexities associated with administering the North American Numbering Plan. Finally, these two respondents differentiated themselves from the other respondents by providing innovative ideas and forward-looking state-of-the-art administration systems and tools that the NANC considered essential for effective administration in accordance with the Requirements Document.

In the direct comparison of the Lockheed and Mitretek proposals during the May 14, 1997 NANC meeting, 13 members voted for Lockheed and 11 members for Mitretek. The following sections contain the identified pros and cons of Lockheed's and Mitretek's proposal.

3.2 NANPA Recommendations & Rationale

Lockheed

Thirteen of the 24 NANC members present on at the May 14, 1997 meeting voted for Lockheed as the NANP and CO Code administrator. The advantages of the Lockheed proposal are: 1) it is half the cost (\$22.5M less) of the Mitretek proposal; 2) it reflects Lockheed's experience with numbering issues relative to LNP NPAC and the 800/888 Help Desk, and 3) that there is potential to achieve synergy associated with the future consolidation of numbering administration systems and/or processes (e.g., number pooling).

Recommendation of the North American Numbering Council (NANC)

There were concerns regarding the ability of Lockheed to perform the NPA Relief and CO Code administration functions in an efficient and effective manner because of their proposed small proposed staff (i.e., 11 people). In addition, Lockheed's centralized staff in Tarrytown, New York raised concerns about their ability to obtain personnel necessary to perform the NPA Relief and CO Code functions. Because Lockheed already performs 800/888 Help Desk and LNP NPAC functions for the industry, there was a concern that Lockheed might have a significant amount of leverage and a potential monopoly position on number administration, thereby subjecting the industry to the risks associated with relying on a single provider of number administration services.

Organizational Structure

Pros

Lockheed possesses the labor and capital resources to manage potential fluctuations in workload or funding.

Lockheed has proposed a centralized NPA Relief Planning and CO Code Administration for efficiencies which could simplify new entrant/national carrier access (one number to call) and lead to consistency in assignment procedures.

Cons

Lockheed's proposed centralization may cause difficulty attracting qualified people.

Lockheed proposes not to assign staff to geographic regions, which may lead to a lack of local expertise in those regions.

Staffing

Pros

Lockheed demonstrated an understanding of NANPA demand and workload.

Lockheed is experienced in operating the 800/888 Help Desk.

Lockheed is experienced with contentious industry LNP meetings.

Recommendation of the North American Numbering Council (NANC)

Cons

Lockheed's staff lacks number assignment and administration experience.

There were concerns that should Lockheed be selected, they would not have appropriate experienced staff in place to meet the required NANPA transition time frames.

Lockheed appeared to rely extensively on mechanized systems and processes in lieu of personnel. Therefore, Lockheed may lack the staff to deal with numbering issues requiring human intervention and judgment.

Innovation

Pros

Lockheed proposed use of advanced automated on-line access systems for entry, validation, tracking and management for all application processing.

Lockheed proposed to develop an advanced forecasting model to assist the industry in COCUS and NPA relief timing based on industry input.

Computer Systems/Technology

Pros

Lockheed proposed a state of the art computer system with advanced security and disaster recovery to assure reliability in their database management.

Lockheed displayed extensive database management experience and expressed a willingness to incorporate "flags" to identify abuses in assignment processes.

Communication

Pros

Lockheed's proposal is succinct and easily understood.

Cons

There was a heavy reliance on a consultant to respond to questions during the respondent meeting.

Recommendation of the North American Numbering Council (NANC)

Price

Pros

Lockheed's price proposal was half the price of Mitretek's.

Lockheed is willing to consider upon further discussion distributing personnel (NPA Relief and CO Code Administration) across three existing Lockheed locations (East coast, West coast and Mid-west locations) without any increase to its price.

Intellectual Property Rights

Pros

Lockheed did, during questioning at the May 14, 1997, NANC meeting, provide intellectual property rights for certain systems, software and support documentation used in NANP/CO Code administration specifically developed to support NANP/CO Code administration functions.

Miscellaneous

Cons

Lockheed has only participated in the Industry Numbering Committee (INC) and NANPA Working Group on a limited basis.

Because Lockheed already performs 800/888 Help Desk and LNP NPAC functions for the industry, there was a concern that Lockheed might have a significant amount of leverage and a potential monopoly position on number administration, thereby subjecting the industry to the risks associated with relying on a single provider of number administration services.

Summary

The primary concerns with the Lockheed proposal were staffing and lack of vendor diversity. Lockheed has provided written assurances that could alleviate the staffing concerns (e.g., amount and location). To alleviate these concerns, Lockheed's written responses and presentation material offered to expand the size of its staff and number of locations at the firm fixed price quoted, if necessary. Accordingly, 13 NANC members submitted that the lower Lockheed price (\$22.5M savings) outweighed the concerns identified.

3.2 NANPA Recommendations and Rationale (Continued)

Mitretek

A minority of the NANC members present at the May 14, 1997, meeting favored the Mitretek proposal. In addition to having met all the requirements, the proposal was given strong marks for its detailed analysis and understanding of the requirements, the numbering expertise of the staff recently acquired by Mitretek; Mitretek's willingness to make available all intellectual property rights to any successor and their participation in recent Industry Numbering Committee (INC) and NANPA Working Group activities.

Concerns were raised regarding the significantly higher price of the Mitretek proposal which reflected Mitretek's larger staff relative to other respondents' proposals. Further, concerns were raised about a lack of corporate experience related to number administration.

Following is an assessment of the Mitretek proposal:

Organizational Structure

Pros

Mitretek will only be performing NANP administration and not other types of numbering administration (i.e., Local Number Portability Number Portability Administration Center - LNP NPAC - and 800/888 Help Desk). The selection of Mitretek as the Administrator of the NANP would provide the industry with another supplier of numbering administration services, thus enhancing vendor diversity and a competitive market for such services in the future (e.g., fair prices, choice, innovation). This should also ensure that Mitretek's performance of the NANP administration will not be unduly influenced by those parties who have contracted for LNP NPAC and 800/888 Help Desk services.

Decentralized CO Code and NPA Relief Planning will enhance Mitretek's ability to attract experienced personnel and to more easily acquire understanding of local numbering needs and issues.

Cons

Mitretek's decentralized CO Code and NPA Relief Planning may negatively affect their consistency in applying industry numbering guidelines among the different central office code administration centers. There is no consensus that such a decentralized organizational structure is necessary to fulfill the responsibilities of NPA Relief Planning and CO Code administration.

Staffing

Recommendation of the North American Numbering Council (NANC)

Pros

Mitretek performed a detailed analysis to determine the level of staffing required. This reflected Mitretek's understanding of the requirements and industry needs.

Mitretek's suggested levels of staffing should be sufficient to assure that the CO Code administration and NPA Relief Planning demands of the industry, including new entrants, will be met.

Mitretek has already hired industry numbering experts with NANPA, CO Administration, and NPA Relief Planning experience. These experts and responsible management helped prepare Mitretek's proposal and two of these individuals participated in the NANC's respondent meeting.

Cons

Mitretek's proposed level of staffing (53 total), although sufficient, may be excessive (compared to Lockheed's proposed initial staffing level of 25 employees) and could impose unnecessary costs on the industry.

Mitretek's industry experts represent numbering experience from specific areas in the NANP and may not represent the NANP area as a whole.

Innovation

Pros

Mitretek proposed a mechanized CO Code administration tool, a forward-looking forecasting tool, a future on-line access capability for CO Code application and a proposed procedure for resolving code conflict problems.

Computer Systems/Technology

Pros

Mitretek proposed the use of state of the art computer and communications systems and software.

A Mitretek NANPA web site has already been established.

Recommendation of the North American Numbering Council (NANC)

Communication

Pros

Mitretek provided a detailed comprehensive proposal with extensive supporting documentation.

Price

Cons

The total cost of the Mitretek proposal is \$22.5M higher (double) than Lockheed's over the five-year period.

Intellectual Property Rights

Pros

Mitretek stated it will make available to the NANC all systems and software. Specifically, Mitretek stated two ways to allow this transfer: Mitretek will, at their option, either 1) transfer all systems, software, documents and data to the NANC or another NANC designated organization or 2) issue a no-cost, non-exclusive license for the systems, software, documents and data. This transfer will involve no cost to the NANC, or other designated organization which could serve as the future NANPA.

Miscellaneous

Pros

Mitretek's awareness of current numbering issues acquired through attendance at recent INC meetings should enhance their ability to assume NANPA duties (e.g., demonstrated the willingness to work with the industry and the flexibility to change based on industry preferences and concerns).

Cons

Mitretek's proposal may have been influenced by industry experience in California and, based upon this experience, their proposal may have over-estimated the required resources.

Recommendation of the North American Numbering Council (NANC)

Summary

The price associated with the Mitretek proposal was the primary concern. Eleven of the 24 NANC members believed that the significant beneficial attributes of the proposal far outweighed this concern. The level of staff proposed by Mitretek should better ensure timely number resource assignment and relief planning, thereby making adequate numbering resources available to all entities including new entrants. Finally, because Mitretek will only be performing NANP administration and not other types of numbering administration (i.e., LNP NPAC and 800 SMS), its selection as the NANPA should present the industry with fewer concerns relative to a lack of leverage which might be associated with a "monopoly" provider.

4.0 Recommended Billing & Collection Agent and Rationale

The following is a discussion of the recommended Billing and Collection Agent and associated rationale.

4.1 Rationale for Selection

Subject to the implementation of the neutrality cure identified below, the NANC recommends that NECA be the Billing and Collection Agent for the following three major reasons:

1. NECA has cost recovery expertise (e.g., TRS)

The recommended cost recovery mechanism mirrors the TRS model of which NECA is the current administrator of the TRS fund. It is the conclusion of the NANC, that this fact makes them eminently qualified to manage NANPA cost recovery.

2. NECA has experience in telephone industry billing (e.g., TRS)

The NANPA billing and collection function as specified in the requirements document matches NECA's experience with TRS.

NECA has a long standing relationship with U.S. Telecommunications carriers. Further, their experience with the TRS fund has them well positioned to assume this new function without a transition phase.

3. Price is lower with the same quantity of staff

Based on a comparison with another finalist with equal staffing levels, NECA's price was one-third less.

Recommendation of the North American Numbering Council (NANC)

4.2 Neutrality Cure

The recommended neutrality cure is for the FCC to order NECA to create an independent board exclusively for the Billing and Collection Agent.

The NANC further recommends that the Billing and Collection Agent Board have the following characteristics:

- Broad based, with representation from the NANP Community.
- At least one International (Non-US Entity) representative.

NECA has stated that it would place the NANPA Billing and Collection Agent responsibilities under the USAC (Page 9, Legal and Regulatory Proceedings of the NECA Proposal). The suggestion of the USAC Board by NECA as a cure for neutrality is considered insufficient and inadequate to the concerns of all parties. In its May 2, 1997, presentation (to the NANC), NECA stated that it would be responsive to a specific request by the FCC for a separate Billing and Collection Agent Board.

Consistent with CC Docket No. 97-21, the NANC recommends that the Billing and Collection Agent Board of Directors be:

- i) Neutral and impartial;
- ii) Not advocate specific positions to the Commission in non-administration-related proceedings;
- iii) Not be aligned or associated with any particular industry segment; and
- iv) Not have a direct financial interest in support mechanisms established by the Commission.

4.3 Additional Concerns

While NECA is the recommended Billing and Collection Agent (BCA), there were concerns related to the selection of NECA as the BCA as follows.

- NECA is deficient in international experience when compared against the alternative respondent.
- NECA has indicated an unwillingness to handle shortfalls in collections; "NECA as a not-for profit association, can not risk losses through such borrowing, however small, that risk might be." (Footnote 9, page 18 of NECA proposal).
- There are concerns with one organization collecting funds for the Universal Service Fund, TRS, Carrier Common Line and NANPA.

Recommendation of the North American Numbering Council (NANC)

- NECA did not include non-routine reports, testimony and litigation in its firm price quote.

5.0 Recommended Alternate Billing & Collection Agent and Rationale

The following is a discussion of the recommended alternate Billing and Collection Agent and associated rationale.

5.1 Rationale for Selection

It should be noted that Lockheed did not bid to perform the BCA functions as a separate function and has made its performance of those functions dependent upon its selection as the NANPA.

It is recommended that Lockheed be the alternative Billing and Collection Agent for the following reasons:

- i) Lockheed has the resources to handle shortfalls

Lockheed clearly indicated in their proposal that they had the full resources of the Lockheed Corporation to provide funding on a temporary basis in the event that revenue shortfalls occur and are corrected in order to provide timely payments to the NANPA. It cited the \$ 26 billion in revenue and \$ 29 billion in assets as proof of Lockheed's Corporate financial strength.

- ii) Lockheed has expertise in billing & collections

Lockheed cited that it has the ability to manage the Billing and Collection Agent functions, highlighting its role as a Third Party billing and collection agent for more than 140 clients, collecting and processing more than \$2 Billion in payments annually.

- iii) Lockheed has international experience and has handled foreign currencies

Lockheed cited its worldwide presence and experience in dealing with foreign countries and currencies.

- iv) Lockheed is completely neutral

Lockheed is viewed by the NANC as neutral, with no cure being required.

5.2 Additional Concerns

Lockheed was not recommended as the Billing and Collection Agent primarily due to its higher cost to perform the BCA function with the equivalent headcount. Lockheed's costs were one-third higher than the recommended respondent.

In addition, while Lockheed was viewed as experienced and capable in billing and collection services, it lacked experience specific to the Telecommunications Industry. Furthermore, Lockheed does not have long-standing relationships with US Telecommunication Carriers, unlike the recommended respondent.

6.0 Rationale for Conclusions Reached on Other Respondents

The following is a discussion of the rationale for the conclusion by the NANC not to select Bellcore or CCMI as the new NANPA and CCMI as the Billing and Collection Agent.

6.1 Bellcore

Bellcore's scoring on the evaluation matrix was comparable to Lockheed and Mitretek. However, in selecting the first and second choices for the new NANPA, Bellcore was not selected as one of the two finalists for the following reasons.

The NANC acknowledged the experience that Bellcore has acquired in its role as the current NANPA. This experience, however, was not considered sufficient to rank Bellcore as a "finalist" in the selection process by the NANC.

It was recognized that this experience is not directly relevant either to the administration of CO Codes or to NPA Relief Planning, two major areas of responsibility for the new NANPA. Although Bellcore has performed CO Code assignment for the 809 NPA, this effort was considered to be significantly distinct from domestic CO Code administration and NPA relief so as to be of minimal value.

Second, when compared with the Lockheed and Mitretek proposals, Bellcore's proposal was lacking in its description of systems, models, and innovative options that might be applicable to current and futures needs. Specifically, Lockheed and Mitretek differentiated themselves by providing innovative ideas and forward-looking state-of-the-art administration systems and tools that the NANC considered essential for effective administration in accordance with the Requirements Document.

Third, a concern was raised with NANPA Inc.'s apparent plans to use personnel from the Bellcore's Numbering Strategies Organization for consulting and technical support. This concern was the perception of potential undue influence by one particular industry segment.

Recommendation of the North American Numbering Council (NANC)

Fourth, Bellcore's proposal to provide centralized CO Code administration but distributed NPA Relief Planning (two locations outside New Jersey) was considered less than optimum. The separation of these functions was thought to minimize any synergies that might otherwise be obtained.

The NANC members at the May 14, 1997 meeting unanimously agreed that Lockheed and Mitretek's proposal were substantially better than that of Bellcore's. Furthermore, although not considered in the NANC's process to determine the two finalists, serious concern was raised relative to the issue of neutrality. Bellcore's proposed compliance with the neutrality requirements is based on its sale to SAIC and the establishment of a separate subsidiary – NANPA Inc. – to oversee NANPA operations. Specific questions were raised regarding the closing of the sale, the composition and selection of the Board of NANPA Inc. These issues were reviewed by the NANC at its May 14, 1997, meeting.

6.2 The Center for Communications Management information

This section contains the rationale and specific issues that led the NANC to unanimously agree to eliminate CCMI from further consideration as the new NANPA and the Billing and Collection Agent.

There was unanimous agreement that the CCMI proposal was the weakest proposal submitted to the NANC for consideration.

A major concern related to the perceived lack of numbering expertise demonstrated in the proposal as well as in the proposed plan for obtaining such expertise. No consultants, early hires or definitive plans for obtaining this expertise were described in any detail. It was NANC's belief that CCMI had a narrowly focused view and a lack of understanding of the complexity and controversial nature surrounding NPA relief activities. The NANC agreed that selecting CCMI as the new NANPA would jeopardize the industry's ability to obtain critical numbering resources and negatively impact the administration of these resources, regardless of the price that CCMI had quoted.

Finally, CCMI's proposal specified that it would only accept the Billing and Collection Agent if it was selected to serve as the new NANPA. Since CCMI was eliminated from consideration as the new NANPA, it was therefore eliminated from further consideration as the Billing and Collection Agent.

7.0 Conclusions

The NANC concluded that the proposals made by Lockheed and Mitretek presented the best solutions for the new NANPA. In the direct comparison of the Lockheed and Mitretek proposals during the May 14, 1997 NANC meeting, 13 NANC members voted for Lockheed and 11 members for Mitretek. Therefore, the NANC recommends Lockheed as the preferred choice to serve as the new NANPA and Mitretek as the alternate.

This recommendation includes the provision that the new NANPA comply with the following requirements concerning pricing and intellectual property rights. These provisions were unanimously approved by the NANC members present at the May 14, 1997 meeting and are also included in the attached recommended NANPA rules.

- i) The new NANPA shall perform the functions at the price agreed to at the time of its selection. The new NANPA may request from NANC, with approval by the FCC, an adjustment in this price should the actual number of CO Code assignments made per year, the number of NPAs requiring relief per year or the number of NPA relief meetings per NPA exceed 20% of its stated assumptions for the above tasks at the time of its selection.
- ii) The new NANPA must make available any and all intellectual property and associated hardware resulting from its activities including, but not limited to, systems, software, interface specifications and supporting documentation and make such property available to whoever NANC directs free of charge. The new NANPA must specify any intellectual property it proposes to exclude from the foregoing based on the existence of such property prior to its selection as NANPA.

Subject to the implementation of the neutrality cure identified in this report, the NANC recommends that NECA be the Billing and Collection Agent. If for some reason NECA cannot serve as the Billing and Collection Agent, NANC recommends those functions be performed by Lockheed.

Attachment (1)

NANPA WORKING GROUP REPORT

**NANP Working Group Evaluation Team Report to the North American Numbering Council
(NANC) on a North American Numbering Plan (NANP) Administrator and Billing and
Collection Agent (BCA)**

NANPA Working Group Evaluation Team Report to the North American Numbering Council (NANC)

North American Numbering Plan (NANP) Administrator and Billing and Collection Agent

PROPRIETARY WARNING

THIS REPORT CONTAINS INFORMATION THAT IS PROPRIETARY TO THE RESPONDENTS WHO SUBMITTED PROPOSALS TO THE NORTH AMERICAN NUMBERING COUNCIL IN RESPONSE TO A REQUIREMENTS DOCUMENT ISSUED BY THE FEDERAL COMMUNICATIONS COMMISSION. THIS REPORT AND THE INFORMATION CONTAINED HEREIN MAY NOT BE USED, REPRODUCED, OR DISCLOSED TO OTHERS EXCEPT AS SPECIFICALLY PERMITTED IN WRITING BY THE ORIGINATOR OF THE INFORMATION. THE RECIPIENT OF THIS INFORMATION, BY ITS RETENTION AND USE, AGREES TO PROTECT THE SAME AND THE INFORMATION CONTAINED THEREIN FROM LOSS, THEFT OR COMPROMISE.

**NANP Working Group Evaluation Team Report to the North American Numbering Council (NANC) on
a North American Numbering Plan (NANP) Administrator and Billing and Collection Agent (BCA)**

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